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## Bulgaria

### Oilseeds and Products

### Oilseeds Annual

### 2004

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**Report Highlights:**

After the record high production in MY03/04 (720,000 MT), in MY04/05 Bulgaria is likely to have lower but still very good production, close to 620,000 MT. MY04/05 sunflower seeds exports also are likely to stay at higher levels, about 230,000 MT-250,000 MT.

MY03/04 sunflower exports as of May 2004, have reached record high level of 250,000 MT due to its good quality, stable prices and favorable regional demand. Due to shortage of planting seeds in the spring of 2004, import growth was about 30 percent, especially of U.S. hybrids. In MY03/04, Bulgaria's imports of soybean meal has stabilized at 84,000 MT, mainly from Argentina and Brazil. Imports of soy oil in MY03/04 dropped to about 11,000 MT due to sufficient local supply of sunflower oil.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Sofia [BU1]  
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## Executive Summary

This report contains final information about MY02/03, preliminary data about MY03/04 and forecast for MY04/05. Sources of data for this report are industry and local government contacts, as well as the oilseed bulletins of Bulgarian Ministry of Agriculture. Trade data is derived from Customs official records. Marketing years for soybeans are based on calendar years due to lack of data, lack of local soybean production, and to maintain consistency in reporting with previous oilseed reports.

Bulgaria is a net importer of soybeans and products. Due to lack of crushing facilities, the country does not import soybeans. There are a few full fat soy extruders which operate on a very small scale, therefore, soybeans imports are under 1,000 MT and irregular.

Imports of soybean meal in MY2003 (CY2003, see above note), increased slightly and reached 84,200 MT or an average monthly consumption of 7,000 MT. The origin of imported meal is mainly from Brazil (60 percent) and Argentina (34 percent). For the period January - April 2004, soybean meal imports totaled 32,300 MT or an average monthly consumption of about 8,000 MT. Due to record high prices of soybean meal in this period, the first ever imports of Indian origin soybean meal were executed, 6,500 MT. However, the acceptance among industry was moderate due to quality reasons.

The stabilization of soybean meal imports at higher levels is mainly due to improvement in poultry and hogs' feeding and despite reduction in numbers, especially in the pork sector, due to the grain shortage in MY03/04. Also, some signs of improved dairy feeding rations was noticed due to enlargement of dairy farms and better farm management. Better grain and oilseed crops in MY04/05 are expected to help the livestock sector, to increase the animal numbers back to previous levels (for hogs) and thus, to lead to higher feed/soybean meal consumption in the second part of 2004.

Soybean oil imports have dropped after the record high imports in MY2002, 17,000 MT, to 11,000 MT in MY2003. This trend was a result of higher production of sunflower oil which is the major vegetable edible oil. Often, soybean oil is consumed in mixtures with sunflower oil without any indication for the real content on the label. In 2003, however, consumption was back to its traditional but slightly higher levels compared to the past years. These import and consumption levels are expected to stay stable in 2004 as well.

Sunflower crop was record high in MY03/04, close to 720,000 MT due to the failure of fall crops, wheat and barley, which forced some farmers to re-plough areas under fall crops and plant them with sunflower. Attractive farm gate prices from the previous crop year were another reason for these decisions. Higher area in MY03/04 led to 24 percent increase in production. The forecast for MY04/05 production is for returning to more traditional lower level of planted areas, below 500,000 HA, and production between 580,000 MT and 620,000 MT.

Exports of sunflower seeds in MY03/04 increased to record high levels of about 250,000 MT thanks to abundant production, good quality and attractive international and regional prices. Exports are forecast to be slightly lower in MY04/05 due to lower supply and stronger regional competition (Ukraine).

MY03/04 exports of sunflower meal also increased as a result of better supply and good prices and are expected to reach 45,000 MT or almost double than in MY02/03. Same trend is forecast for MY04/05 due to similar production and price levels. Major export markets in MY03/04 are Turkey, Italy and Israel.

Sunflower oil imports in MY03/04 declined to the usual low level after the deficit year MY02/03 when record high quantities were imported. Exports of sun oil in MY03/04 are forecast to decline to 20,000 MT (13,000 MT were exported until March 2004). These exports are likely to stay at this level in MY04/05.

Imports of sunflower planting seeds in MY03/04 were 30 percent higher due to local shortage as a result of drought in the summer of 2003 which affected the quality of seeds. This shortage led to higher imports in the spring of 2004, however, along with good quality seeds, some "doubtful" quality planting seeds of unclear origin were imported. In MY04/05, imports may stabilize at the previous lower level of 6,000 MT.

## **Total Oilseeds**

### **Production**

#### **General**

In MY03/04, total oilseed area and production increased significantly compared to the traditional level. Total oilseeds planted area increased 45 percent and production 23 percent (see production table below) and reached record high amounts. Despite the reduction in soybean production, better market of rapeseed crop promised good returns to farmers and the interest to this crop has increased. Although MY04/05 total oilseed production is likely to go back to slightly lower traditional levels, it is forecast that the rapeseed production will stabilize and will tend to increase in the future due to the demand for industrial crush (for bio diesel which is afterwards exported to the EU, mainly to Germany). According to the industry sources, MY04/05 rapeseed planted areas are 18,500 HA under fall rapeseed and 3,500 HA spring rapeseed or total 22,000 HA or a record high area to date.

#### **Soybeans**

The data in the PS&D table for soybeans for MY02/03 and MY03/04 is based on final official data. As it is seen from the production table below, local production was practically nil over the last four years due to unfavorable conditions. No changes in this pattern are expected in the near future due to lack of irrigation systems and naturally unfavorable weather conditions. For this reason, this report focuses mainly on imports/consumption of soybean products and not on local production.

#### **Sunflower**

Sunflower data in the PS&D table includes both oil bearing and striped (birdseed/confectionary) sunflower-seed.

<b>Production Table for MY01/02 - MY03/04</b>						
Crops	Planted Crop Area, HA			Production, MT		
	2001	2002	2003	2001	2002	2003
Soybeans	1,280	2,866	800	850	4,098	897
Sunflower	398,000	440,000 427,838 harvested	624,000 610,000 harvested	392,000	580,000	720,000
Rapeseed	17,200	6,900	11,600	19,000	8,000	10,300
Total	416,480	437,604	636,400	411,850	592,098	731,197

In MY03/04, total planted area for sunflower seed was estimated at 624,000 HA and harvested area at 610,000 HA. The main reason for the increase in area was re-ploughing of the fall crops, especially barley, die to winter kill. Another factor was relatively stable ex-farm and export prices and good export opportunities. As a result, sunflower area in MY03/04 increased 42 percent (50 percent according to other sources) .

On the other hand, average yields were lower compared to the previous season, 118 MT/HA in MY03/04 compared to 134 MT/HA in MY02/03. The major reason for this decline were drought during July-August' 03. Overall, the inputs use was much better (see table below).

Thus, total sunflower production was 24 percent higher, especially in north-east region and north-central region. Average yields in MY03/04 were higher only in north-west region.

Expectations for MY04/05 are for a good crop based on favorable weather conditions forecast despite early spring dryness (March to mid-April) which was compensated by abundant rainfall at end-April and in May. Planted areas are estimated to go slightly down to their traditional level of below 500,000 HA (480,000 HA-490,000 HA) due to increase in wheat area. Another problem during the spring planting was a temporary shortage of sunflower planting seeds. The importers, however, reacted quickly and demand was met from imports, especially of U.S. hybrids (see trade matrix, MY03/04), and this issue did not lead to any late planting. AgSofia forecasts average yields of about 120 MT/HA-130 MT/HA similar to MY02/03 which will lead to a total production of 580,000 MT- 620,000 MT.

### **Production problems**

**Crop rotation:** In MY03/04, the percent of sunflower planted after wheat/barley increased due to re-sowing of destroyed fall crops. In MY04/05, crop rotation was back to its normal levels. In most cases, farmers are trying to plant sunflower once in 3-4 years but, due to the lack of alternative spring crops for rotation, sunflower is planted more often.

**Planting seeds:** The use of certified planting seeds has gradually increased over the past 5 years. In MY03/04, 90 percent of planted areas were under certified seeds and about 58 percent of all certified seeds came from imports.

In MY04/05, according to industry sources, the percent of used certified seeds was even higher (92-95 percent of total planted areas). Industry sources also identified imported seeds, mainly U.S. Pioneer, to account for 1,200 MT in MY04/05 or more than 60 percent of total used seeds.

**Average Yields:** In MY03/04, average yields were lower compared to the previous season due to summer drought. It declined to 118 MT/HA (122 MT/HA according to the official data) compared to MY02/03 average yield of 135 MT/HA (140 MT/HA according to the official MinAg data).

Traditionally, the regions with the highest average yields (1.5-2.5 MT/HA) are in the north-east: Varna, Rousse, Dobrich; and some areas in north-central Bulgaria. Good private growers register yields from 1.6 MT/HA to 2.5 MT/HA. In MY03/04, however, the only region which registered an increase in yields was north-west area (4 percent).

The most interesting was the development of south-east region which has lately concentrated a significant portion of sunflower production. In MY03/04, this region increased planted areas with 42 percent (the highest in the country), however, the reduction in yields was also the most notable (44 percent), which as a result led to 37 higher production compared to the previous season.

<b>Quality characteristics and input use of MY 2003/2004 oilseed crops</b>					
<b>Crops</b>	Moisture content (%)	Impurities (%)	Use of certified seeds (% of total planted area)	Use of nitrogenous fertilizers (% of treated areas to total areas)	Use of herbicides (% of treated areas to total areas)
Sunflower	10.0	4.0	89.0	51.0	77.0
Rapeseed	10.0	4.0	77.0	36.0	26.0
Soybeans	6.0	2.0	NA	NA	NA
Source: Ministry of Agriculture Oilseeds Bulletin, February 2004					

### Production Policy

In 2002 and 2003, Fund Agriculture had four credit lines supporting use of fertilizers, plant protection chemicals, diesel fuel for harvest works, and use of certified planting seeds. For the first time in 2003, a government program to support soybean, rapeseed and peanut planting seeds production was introduced (see the table below). In 2004, as of May 18, 99.8 percent of the limit allocated for the sunflower planting seeds support was used (6.0 million leva) as 150,000 HA were planted under this state support (970 farmers).

Soybeans	140,000 lv (max area of 300 HA per farm)	Starting date: 1 April 2003
Rapeseeds	300,000 lv (max area of 600 HA per farm)	Starting date: 1 April 2003
Peanuts	1,000,000 lv (max area of 450 HA per farm)	Starting date: 1 April 2003
Spring crops	6.0 mln lv (4.5 mln credit 1.5 mln lv. subsidy, max area of 300 HA per farm)	
Sunflower seeds	1.2 mln leva, max area of 300 HA)	Starting date: 1 March 2003

## Prices

### Soybeans

The average soy prices in MY02/03 were about 400-420 leva/MT (\$216-225/MT). Since local production is very limited, these prices were only for purchases by small soy extruders for production of full fat soy meal. In MY03/04, there was not any trade in soybeans due to lack of production and imports.

### Sunflower

#### Farm gate prices

In MY02/03, farm gate prices started from 360-370 leva/MT (\$180-\$185/MT) but due to tight competition between exporters and crushers, the prices quickly went up to 380-400 Bleva/MT (\$200-\$210/MT). Prices stabilized at high levels, about 401 leva/MT (\$216/MT), to 420 leva/MT (\$227/MT) for small irregular lots later in the marketing year due to depleting stocks and diminishing trade. In August 2003, prior to harvest, expectations dropped the prices to 314 leva/MT (\$170/MT).

In the beginning of MY03/04, price increased again to 391-392 leva/MT (\$211-\$212/MT) (November/December 2003). Higher supply, however, led to lower farm gate prices compared to the previous marketing year. Current average farm gate prices are between 330 leva/MT (\$200/MT) and 380 leva/MT (\$230/MT). Both in MY03/04 and in MY 02/03, average farm-gate prices were below the record high prices from MY01/02.

In MY03/04, prices in U.S. dollars, however, were slightly higher than in MY02/03 due to depreciation of the U.S. currency.

Average Oilseed Farm Gate Prices 2001 - 2004 in Bleva per metric ton			
	MY2001/02	MY2002/2003	MY2003/2004
Sunflower	403 (\$183/MT)	255 (\$135/MT)	366 (\$222/MT)
Soybean	500 (\$227/MT)	440 (\$225/MT)	NA

### Export prices

Average export price in MY02/03 was FOB Black Sea ports \$232/MT (for 165,000 MT) and DAF Bulgarian Turkish border at \$272/MT (for 76,000 MT).

In MY03/04 (to date), prices were slightly lower in hard currency, FOB Black Sea at \$229/MT (September 03-February 04 period) and DAF \$250/MT (for 110,000 MT, at the beginning of the MY03/04). These prices were developing as a response of major Ukrainian competition in the region. Export prices for EU in MY03/04 are much higher compared to the previous season (see tables and graphs below).

Export prices of Bulgarian sunflower seeds in MY02/03, USD/MT													
	2002				2003								Av.
	09	10	11	12	1	2	3	4	5	6	7	9	
FOB	224	230	238	208	-	250	-	-	281	-	294	-	232
DAF	217	225	220	260	290		290	291	290	299	298	250	272
Source: MinAg Oilseeds Bulletin, February 2004													

Export prices of Bulgarian sunflower seeds in MY03/04, USD/MT													
	2003				2004								Av.
	09	10	11	12	1	2	3	4	5	6	7	9	
FOB	218	227	222	279	356	348	-	-	-	-	-	-	229
DAF	239	245	284	285	297	307	-	-	-	-	-	-	250
Source: MinAg Sunflower Bulletin, February 2004													

**Production cost:** According to local independent experts, production cost for 2003' sunflower crop per a hectare is about 426 leva/HA or 350 leva/MT(\$212/MT) at an average yield of 120 MT/HA. It means that upon average farm gate prices of 380-390 leva/MT, producers will work at a small profit. These average indexes, however, range widely depending on the farms, their size, management etc. Large commercial farms have reportedly worked at a profit for the last 5 years due to good exports and good farm gate prices (usual yields above 1.5 MT/HA).



## Consumption

### Soybeans

All soybeans produced in the country are used for crushing by small-medium sized extruders. The usual beans-to-meal conversion rate is about 82-83 percent. This locally produced meal is used for on-farm feeding of poultry and is not commercially important.

### Sunflower

#### Crush use

In MY02/03, crush consumption was estimated at 305,000 MT, closer to the traditional level due to larger sunflower crop. There is not change in FAS previous estimates (see PSD table). Sun oil production, however, was lower than expected, 112,000 MT, due to lower fat content which affected the extraction rate. Sun oil supply was a little bit under demand which caused imports of 13,000 MT of edible sun oil.

In MY03/04, much higher supply and slightly lower farm gate prices, led to higher crush use, 376,000 MT. Thus, expected sun oil production is at 140,000 MT, which will meet local demand and imports will significantly decline.

#### Other use

In MY02/03, consumption for "other than for crush use of sunflower", was estimated at 28,000 MT (18,000 MT as nuts for snack consumption/confectionary sunflower seeds, and 10,000 MT for khalva, local sweet). MY03/04 "other use" consumption is estimated to recover to 30,000 MT and the same amount is forecast for MY04/05.

## Trade

In the PS&D tables and trade matrixes for sunflower seeds, the export and import data is based on official, final data in metric tons. In the PS&D table for soybeans, data for imports and exports are on calendar year basis as marketing year information was not available. However, due to almost zero local production, calendar year data is accepted for the marketing year for the purposes of this report.

All trade matrixes data contains Customs official imports and export data for MY02/03 and for MY03/04 until March 2004. The MY03/04 trade matrixes data does not correspond to PSD trade estimates since the estimates are done for the whole marketing year.

## Imports

### Sunflower

No significant imports except for planting seeds and small regional lots were executed in MY02/03, so total imports were 6,000 MT. In MY03/04, imports of seeds were higher, mainly planting seeds, and are estimated to reach 8,000 MT.

MY04/05 forecast is for restoring traditional imports to 6,000 MT. Major suppliers are in the region – Moldova, Romania, Hungary, Turkey, and France.

## Exports

### Sunflower

Export trade matrixes show both oil bearing and confectionary sunflower exports.

In MY02/03, exports reached record high volume of 246,000 MT due to good international/regional demand, mainly to Turkey, Spain, Netherlands and Portugal. Exports in MY03/04 may slightly exceed this level and reach 250,000 MT (as of April 2004, exports were already 246,000 MT). Both years exports are a result of good supply and competitive quality and prices. MY04/05 forecast for exports is for slightly lower volume, still between 200,000 MT and 250,000 MT, as the major portion will again be exported to Turkey (about 100,000 MT).

## Policy

### Trade

In May 2004, CEFTA agreement will be reduced due to accession of CEFTA members (excluding Romania and Bulgaria) in the EU. It is expected that Bulgaria will transfer some of the previous trade preferences of these countries to the common EU trade preferences.

### Import duties

	CY2001	CY2002	CY2003	CY2004
HS#1201 Soybeans				
- planting seeds	0%	0%	0%	0%
- commercial	0%	0%	0%	0%
HS#1206 00 10 - Sunflower planting seeds	0%	0%	0%	0%
HS#1206 00 910 Striped sunflower	5 % general duty; 3 % preferential duty	5%	5%	5%
HS#1206 00 99 Black oil bearing	April 1 - September 30 - 0 % October 1- March 31 - 10 % general duty, 7% preferential duty	April 1 - September 30 - 0 % October 1- March 31 - 10 % (0% for 2002)	April 1 - September 30 - 0 % October 1- March 31 - 10 %	April 1 - September 30 - 0 % October 1- March 31 - 10 % )

Trade in sunflower planting seeds between Bulgaria, EU, CEFTA and Croatia (since 2002) is fully liberalized. Following are the CY2002, CY2003, CY2004 tariffs/quotas for oilseeds according to the EU, CEFTA, and bilateral trade agreements:

HS# Product	EU	CEFTA	Croatia
HS#1201 00 100 and 1201 00 900 Soybeans	0%	0%	0%
HS#1206 00 100; 1206 00 910; 1206 00 992 and 1206 00998 Sunflower seeds	0%	HS#1206 00 10 Sunflower planting seeds - 0 %	HS#1206 00 10 Sunflower planting seeds - 0 %

## Exports

Since October 1998, exports of sunflower-seed have been fully liberalized. Since CY2000, Bulgarian exports to EU, EFTA, CEFTA and Macedonia are executed at the respective general import duties for third countries. According to the free trade agreement with Turkey, Bulgaria can export sunflower-seed annually in the period January 1 - August 31 up to 25,000 MT quota (oil bearing and striped) at zero import duty.

## Total Meals

## Production

### General

Production estimates in the PS&D tables are derived using average industry rates for converting sunflower and soybeans. These crushing ratios have been revised and updated by AgSofia as follows: 82-85 percent for soybeans into meal; and 45 percent for sunflower seed into meal.

Bulgaria is not normally a producer of soybean meal due to lack of raw materials. In MY02/03, production was small, about 2,000 MT, with a forecast for 1,000 MT in MY03/04 and practically no production in MY04/05.

Sunflower meal is a secondary product for crushers after table oil and it is not considered to be profitable. Therefore, oil drives the sunseed crush margins, while meal leads the soy crush margin.

## Consumption

### General

Consumption of meals is driven mainly by the development of the poultry industry which consumes about 70 percent of all soybean meal; followed by 20 percent use by the pork industry. The share of cattle and other type of livestock use is small (although recently increasing), about 5 to 10 percent combined.

Due to stabilization in the poultry industry in the last several years, and especially in MY02/03 and MY03/04, imports and consumption of soybean and sunflower meal increased. A positive trend is that an increasing number of poultry and feed operations are trying to improve the quality of their feed using higher protein content meals, so the increase in demand is driven not so much by the poultry numbers (which are also increasing slowly, see table below) as by the improvement in feed quality. This trend is more typical for commercial operations due to increase in share of commercially produced poultry meat versus on-farm, non-commercial poultry production (see table below).

<b>Total Poultry Inventory and Commercial Poultry Meat Production in Bulgaria for the period 2002-2004</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>
Poultry, total, inventory	19,200,000	20,500,000	21,000,000
incl. layers, numbers	8,700,000	8,750,000	9,000,000
broilers	8,000,000	8,000,000	8,500,000
Turkey	600	600	600
Geese	600	600	600
Ducks	1,000	1,000	1,000
Commercial poultry meat production, MT	63,010	63,500	67,000
Total poultry meat production, MT (commercial and non-commercial)	110,000	110,000	115,000

Source: Ministry of Agriculture Bulletin, Poultry Market, March 2004

In the PS&D table, soybean meal consumption was estimated at 80,000 MT in MY02/03. The forecast for MY03/04 and MY04/05 is for the stable consumption levels at 81,000 MT although first import figures for early 2004 assume higher monthly consumption. Official import figures are used in the PS&D tables.

A limiting factor in soybean meal consumption in MY03/04 was the decline in the number of hogs due to the grain shortage. Pig numbers are likely to restore their previous level but only by the second part of MY04/05. Soybean meal consumption in this sector is not likely to be fully restored at the previous level. However, since pork industry is not the leading consumer of soybean meal, it is estimated that overall consumption may stay stable in MY03/04 and MY04/05.

Sunflower meal consumption in MY02/03 and MY03/04 was back to its traditional level of about 115,000 MT-116,000 MT due to better supply and stable prices.

## Trade

Trade data in the PS&D tables are on a marketing year basis. The trade matrices are based on official statistical data.

## Imports

No imports of sunflower meal were registered between MY1999/00 and MY03/04. No imports are expected for MY04/05.

Imports of soybean meal were driven by livestock demand (see consumption section) and competitive prices of Latin American soybean meal. Imports are forecast to stay stable and slowly increase in MY04/05 to 85,000-86,000 MT. Brazil and Argentina remained the largest supplier of soybean meal to Bulgaria. Local preferences are towards higher quality Brazilian meal, so it is expected that Brazil will dominate on this market in the future. Small quantities are also imported from Greece.

In 2002, there were imports of 3,000 MT of U.S. origin hi-pro soybean meal which was imported as a humanitarian donation and used commercially by industry. No imports from the United States are projected in MY03/04 and MY04/05.

## Exports

Only small amounts of soybean meal were exported in the last three years at an average of 500 MT per year to Macedonia and Yugoslavia. Since amounts are small, these figures are not reflected in the trade matrices and PS&D table.

In MY02/03, sunflower meal was exported mainly to Turkey and Macedonia. Exports were at the traditional level of 24,000 MT due to more stable local demand for feed and higher domestic supplies.

In MY03/04, significantly higher supply, combined with relatively stable livestock demand, are expected to lead to exports of 45,000 MT (41,000 MT until April 2004). Unlike in MY02/03, exports were destined for Italy and Israel, or non regional markets. The same trend is projected for MY04/05 when crush use/meal production and supply are likely to stabilize at similar levels (or slightly higher) which may lead to exports of 45,000 – 50,000 MT of sun meal.

## Import duties 2004

HS#2304 Soybean meal - 0 percent import duty  
HS#2306 30 Sunflower meal - 10 percent import duty

For EU:

HS#2306 30 Sunflower meal - 3 percent import duty in the period January 1 - June 30  
Duty free in the period July 1 - December 31

For CEFTA countries (Romania and Croatia):

HS#2301-9 or all oil meals including soybean, sunflower and fish meal - duty free

Macedonia

HS#2307 00 - 200 MT duty free

## Total Oils

### Production

In MY02/03, sufficient crush use increased production of vegetable oil, however, still the supply was under the demand, and 13,000 MT of sun oil were imported. In addition, other edible vegetable oils were imported to meet the consumer demand. Often, these edible oils are mixed with sunflower oil and marketed under sunflower oil label which makes difficult to differentiate various oils consumption and trade patterns.

Except for sun oil imports (MY02/03 - 13,000 MT) and soy oil imports (CY 2003 - 17,000 MT), other imported vegetable oils in MY 02/03 were rapeseed oil (140 MT), palm oil (7,500 MT), cotton oil (2,200 MT), olive oil (500 MT) and coconut oil (1,000 MT) (Source: MinAg Bulletin, Oilseeds February 2004)

In MY03/034 sufficient local sunflower crop did not stimulate imports which were limited to only 2,000 MT. For the period October-March 2004, sunflower oil imports were 1,700 MT (see the trade matrix). Forecast for a good MY04/05 sunflower crop will not stimulate imports; therefore, trade is expected to remain at about 2,000 MT-3,000 MT of sunflower oil.

### Sunflower oil

MY02/03 sunflower oil production was estimated at more traditional level of 112,000 MT obtained from 305,000 MT sunflower seeds (see PSD table). The conversion rate is expected to be 0.36 percent. Similar conversion rates are forecast for MY03/04 and MY04/05.

Abundant crop and higher crush use (376,000 MT) in MY03/04 are likely to lead to a production of 140,000 MT and about the same volume in MY04/05 (crush use of 380,000 MT and 141,000 MT of sun oil).

### Consumption

#### Soybean oil

Due to lack of any reliable data, it is difficult to estimate the share of industrial and household consumption. According to some industry sources, total industrial consumption is between 5,000 MT and 7,000 MT, mainly for paints manufacturing (see PSD table).

Household (direct) consumption of soy oil in MY01/02 was the highest for the last 10 years at 17,000 MT. In MY02/03 and MY03/04, household consumption went down to 9,000 MT (in MY02/03) and further to more traditional level of 5,000 MT-6,000 MT (in MY03/04 and MY04/05). This consumption is already identified as soybean oil consumption (not mixed with other oils which was the case in MY01/02 and partly in MY02/03). Human consumption of soybean oil is forecast to stay stable with prospects for growth in medium terms.

#### Sunflower oil

In the PS&D table, consumption of sunflower oil is divided in industrial and food consumption. In Bulgaria, practically all sunflower oil is used for "human" consumption since industrial consumption is in the food processing industry. Therefore, in the category of "food consumption" in the PS&D table, there is data which covers direct household consumption versus industrial consumption.

In MY02/03, sunflower oil consumption increased to more traditional level of 111,000 MT. Human/household consumption was estimated at 90,000 MT compared to 67,000 MT in MY01/02. At the same time, total edible vegetable oil consumption was estimated at 101,000 MT (MinAg Oilseeds Bulletin, February 2004) or 14 liters per capita, thus the remaining quantities (11,000 MT) are non-sunflower oils.

In MY03/04 and in MY04/05, sunflower oil is expected to restore its traditional share in total human/household consumption (100,000 MT – 105,000 MT) due to higher production/supply.

Industrial use of sun oil is mainly for canning, fish processing and confectionary industries. In MY02/03 this type of use was estimated at 20,000 MT out of total 27,000 MT-28,000 MT vegetable oils. The majority of industrial consumption goes for production of mayonnaise and margarine (14,000 MT-16,000 MT); and small amounts (1,000 MT) were used for technical purposes - for production of paints and varnishes. The most dynamic growth is registered in use of local sunflower oil for the local mayonnaise and margarine. In MY03/04 and MY04/05, industrial use is expected to stay stable at about 22,000 MT.

<b>Total Industrial Use</b>	<b>Canning, fish processing and confectionary industries</b>	<b>Mayonnaise and margarine production</b>	<b>Technical purposes</b>
MY 01/02 26,000 MT	9,000 MT	14,000 MT	1,000 MT
MY 02/03 20,000 MT	4,000 MT	15,000 MT	1,000 MT
MY03/04 22,000 MT	5,000 MT	16,000 MT	1,000 MT

## Prices

In MY03/04, the average wholesale ex-factory producer prices were 1,454 leva/MT – 1,520 leva/MT or lower than in MY02/03 and in MY01/02. This was due to the lower farm gate prices for sunflower crop and good supply. Retail prices followed the same trend, as there was a significant drop in prices at the beginning of 2004 to 1.5 leva/liter. Similar to the wholesale prices, they were lower than in the previous two years.

<b>Wholesale (WS), retail (RT) and export prices of Bulgarian sunflower oil in MY02/03, USD/MT</b>													
	2002				2003								Av.
Mo	09	10	11	12	1	2	3	4	5	6	7	8	
WS refi	860	783	789	851	900	918	920	917	969	973	953	942	<b>879</b>
RT refi lv/l	2.05	2.0	1.9	1.9	2.0	2.0	2.0	2.0	2.0	1.9	1.9	2.0	<b>2.0</b>
EXW crude	567	495	543	596	625	620	649	602	629	666	657	650	<b>562</b>
EXW refi	662	586	604	693	678	-	-	-	-	-	-	-	<b>637</b>
Source: MinAg Sunflower Bulletin, February 2004													

## Trade

### Exports

In 1999 - 2004, Bulgaria exported sunflower oil to EU, (above the quota), EFTA, and Macedonia at general import duties for third countries.

The EU granted Bulgaria a duty free import quota for refined sunflower oil for 460 MT (July 1, 1998-June 30, 1999); 480 MT (July 1, 1999- June 30, 2000) and 500 MT (after July 1, 2000) and 500 MT (July 1, 2001 to June 30, 2002 and from July 1, 2002 to June 30, 2003). Since July 1, 2003 to June 30, 2004, Bulgaria can export a quota of 3,000 MT crude and refined sun oil to the EU market.

Bulgaria can export sunflower oil to Turkey within a quota of 15,000 MT for crude oil in the period January 1 - August 31 annually at a 50 percent reduction from the general duty which is 18.8 percent.

Bulgarian sunflower oil exports to CEFTA are levied at general import duties for third countries. Hungary has allowed import quotas for Bulgarian oil of 500 MT at 8 percent import duty. In 2001 and in 2002, Bulgaria did not export any sun oil under this quota.

Export prices in MY02/03, average EXW(ex-work) of crude sunflower oil was \$562 (for 6,100 MT) compared to \$594/MT (for 3,300 MT) in the previous season. The same type EXW for refined oil in MY02/03 was \$637/MT (for 2,000 MT).

In MY03/04, the average export price EXW for crude oil was \$518/MT (for 6,000 MT) and EXW for refined oil EXW price was \$619/MT (for 1,700 MT).

### Imports

Import CIF prices in MY03/04 were as follows (according to Customs declarations):

-refined sunflower oil - \$839/MT;



- refined palm oil - \$559/MT;
- refined soy oil - \$417/MT;

In MY02/03, imports of sun oil dropped to 13,000 MT, mainly from Ukraine and Moldova. For the period October - March 2004, Bulgaria imported 1,700 MT (see trade matrix) of sun oil from the regional suppliers with an estimate of 2,000 MT total sun oil imports for the marketing year. The forecast for MY04/05 is for the same amount of imports at 2,000 MT – 3,000 MT of sun oil. Soy oil imports are likely to stabilize at 10,000 MT - 11,000 MT in MY03/04 and in MY04/05.

### Imports duties

HS# Product	CY2004 general import duties	EU import duties in CY2004
HS#1507 10 Crude and refined soy oil for food purposes	3.2 (2.3% in CY03)	0%
HS#1507 10 Crude and refined soy oil for non food purposes	6.4 %	0%
HS#1512 11 Crude sunflower oil	10 % general duty, 10 % preferential duty	0%
HS#1512 19 Refined oil and for technical purposes	15% general duty, 15% preferential duty	0%
HS#1511 10 Crude Palm Oil	3.8%	0%
HS#1511 90 In firm forms	10.9% - 12.8%	0%
HS#1514 11 Crude Rapeseed oil	6.4%	0%

In 2000 - 2004, Bulgaria permitted imports of sunflower oil from CEFTA countries at general duties for third countries. This includes the Czech Republic, Poland, Slovenia, Slovakia (and Croatia in 2002). Hungary had an import quota of 500 MT at 7 percent import duty for crude oil and 10 percent for refined oil. Romania had an import quota of 450 MT at 5 percent import duty for crude oil and 7 percent for refined oil. Imports from those countries above the quotas are imposed general import duties. Turkey had an import quota of 500 MT for refined sunflower oil at 10.5 percent import duty.

# PSD Table

Country	Bulgaria						
Commodity	Oilseed, Sunflowerseed						(1000 HA)(1000 MT)
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official	Estimate [DA]	Official [DA]	Estimate [DA]	Official [DA]	Estimate [New]	
Market Year Begin	10/2002		10/2003		10/2004	MM/YYYY	
Area Planted	477	440	600	620	0	490	(1000 HA)
Area Harvested	400	430	510	610	0	480	(1000 HA)
Beginning Stocks	6	6	6	6	35	70	(1000 MT)
Production	520	580	650	720	0	620	(1000 MT)
MY Imports	7	6	3	8	0	6	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	533	592	659	734	35	696	(1000 MT)
MY Exports	200	246	223	250	0	235	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	305	305	365	376	0	380	(1000 MT)
Food Use Dom. Consumption	16	28	30	30	0	30	(1000 MT)
Feed,Seed,Waste Dm.Cn	6	7	6	8	0	8	(1000 MT)
TOTAL Dom. Consumption	327	340	401	414	0	418	(1000 MT)
Ending Stocks	6	6	35	70	0	43	(1000 MT)
TOTAL DISTRIBUTION	533	592	659	734	0	696	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

# Export Trade Matrix

**Country** Bulgaria

**Commodity** Oilseed, Sunflowerseed

Time Period MY02/03 Units: MY03/04\*

Exports for: 1

U.S. U.S.

Others Others

Turkey	78,961		116,963
Spain	57,883	Belgium	19,425
Netherlands	37,314		18,233
Portugal	26,885		21,506
Romania	16,246	Finland	7,274
France	15,692		17,360
Germany	3,879		9,147
Syria	1,079	Denmark	8,824
Austria	1,000		14,222
Switzerland	655	Italy	5,274
Total for Others	239,594		238,228
Others not Listed	6,816		7,434
Grand Total	246,410		245,662

Note: Until march 2004

# Import Trade Matrix

**Country** Bulgaria

**Commodity** Oilseed, Sunflowerseed

Time Period MY02/03 Units: MY03/04\*

Imports for: 1

U.S. 20

Others Others

Moldova	3,288		3,304
Romania	455		2,020
Greece	318	Spain	113
Ukraine	276		700
Yugoslavia	156		114
France	239		444
Hungary	187		151
Italy	20		84
Austria	274		103
Turkey	119		578
Total for Others	5332		7,611
Others not Listed	462		71
Grand Total	5794		7682

Note: Until March 2004

# PSD Table

Country	Bulgaria						
Commodity	Oilseed, Soybean						(1000 HA)(1000 MT)
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin	01/2002		01/2002		01/2002		MM/YYYY
Area Planted	0	3	0	1	0	2	(1000 HA)
Area Harvested	0	3	0	1	0	2	(1000 HA)
Beginning Stocks	0	1	0	1	0	1	(1000 MT)
Production	0	4	0	1	0	3	(1000 MT)
MY Imports	0	1	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	0	6	0	2	0	4	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	0	4	0	1	0	3	(1000 MT)
Food Use Dom. Consumption	0	1	0	0	0	0	(1000 MT)
Feed,Seed,Waste Dm.Cn	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	0	5	0	1	0	3	(1000 MT)
Ending Stocks	0	1	0	1	0	1	(1000 MT)
TOTAL DISTRIBUTION	0	6	0	2	0	4	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

# Import Trade Matrix

**Country** Bulgaria

**Commodity** Oilseed, Soybean

Time Period MY2002 Units: MY2003

Imports for: 1

U.S. U.S.

Others Others

China	239		
Greece	166		20
Macedonia	48		
Belgium	3		8
Canada	3		
Gambia	60		

Total for Others 519 28

Others not Listed

Grand Total 519 28

## PSD Table

Country	Bulgaria					
Commodity	Meal, Sunflowerseed					
	(1000 MT)(PERCENT)					
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official	Estimate [DA]	Official [DA]	Estimate [DA]	Official [DA]	Estimate [New]
Market Year Begin	10/2002		10/2003		10/2004	MM/YYYY
Crush	305	305	365	376	0	380 (1000 MT)
Extr. Rate, 999.9999	0.455738	0.455738	0.452055	0.449468	0	0.45 (PERCENT)
Beginning Stocks	0	0	3	1	3	9 (1000 MT)
Production	139	139	165	169	0	171 (1000 MT)
MY Imports	0	1	0	0	0	0 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0 (1000 MT)
MY Imp. from the EC	0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY	139	140	168	170	3	180 (1000 MT)
MY Exports	20	24	20	45	0	50 (1000 MT)
MY Exp. to the EC	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Consum	0	0	0	0	0	0 (1000 MT)
Feed Waste Dom. Consum	116	115	145	116	0	116 (1000 MT)
TOTAL Dom. Consumptic	116	115	145	116	0	116 (1000 MT)
Ending Stocks	3	1	3	9	0	14 (1000 MT)
TOTAL DISTRIBUTION	139	140	168	170	0	180 (1000 MT)
Calendar Year Imports	0	0	0	0	0	0 (1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0 (1000 MT)
Calendar Year Exports	0	0	0	0	0	0 (1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0 (1000 MT)

# Export Trade Matrix

**Country** Bulgaria

**Commodity** Meal, Sunflowerseed

Time Period MY02/03 Units: MY03/04\*

Exports for: 1

U.S. U.S.

Others Others

Turkey	15,439		10,488
Romania	1,590		2,384
Yugoslavia	1,592	Italy	5,620
Macedonia	4,724		2,671
Greece	2,347		3,573
Poland	20	Israel	6,527
		Spain	3,500
		Egypt	2,990
		Syria	2,000
		Germany	897

Total for Others 24,098 40,650

Others not Listed 4 23

Grand Total 24,122 40,673

Note: Until March 2004



# PSD Table

Country	Bulgaria					
Commodity	Meal, Soybean					
	(1000 MT)(PERCENT)					
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official	Estimate [DA	Official	Estimate [DA	Official	Estimate [New]
Market Year Begin	10/2002		10/2003		10/2004	MM/YYYY
Crush	0	4	0	1	0	3 (1000 MT)
Extr. Rate, 999.9999	0	0.5	0	1	0	0 (PERCENT)
Beginning Stocks	2	4	3	3	0	2 (1000 MT)
Production	2	2	2	1	0	0 (1000 MT)
MY Imports	82	82	90	84	0	86 (1000 MT)
MY Imp. from U.S.	6	0	0	0	0	0 (1000 MT)
MY Imp. from the EC	0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY	86	88	95	88	0	88 (1000 MT)
MY Exports	0	0	0	0	0	0 (1000 MT)
MY Exp. to the EC	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum	80	80	90	81	0	83 (1000 MT)
Food Use Dom. Consum	0	2	0	2	0	2 (1000 MT)
Feed Waste Dom. Consu	3	3	5	3	0	2 (1000 MT)
TOTAL Dom. Consumptic	83	85	95	86	0	87 (1000 MT)
Ending Stocks	3	3	0	2	0	1 (1000 MT)
TOTAL DISTRIBUTION	86	88	95	88	0	88 (1000 MT)
Calendar Year Imports	0	0	0	0	0	0 (1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0 (1000 MT)
Calendar Year Exports	0	0	0	0	0	0 (1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0 (1000 MT)

# Import Trade Matrix

**Country** Bulgaria

**Commodity** Meal, Soybean

Time Period  Units:

Imports for:  **1**

U.S.  U.S.

Others Others

Brazil	36,000		40,792
Argentina	37,000		29,135
Romania	2,100		11,464
Hungary	20	Switzerland	1,000
France	1,902		662
Greece	2,800		368
Netherlands			97
Germany	16		13
Italy			2
Belgium	5		

Total for Others 79843 83,532

Others not Listed

Grand Total 81843 83534

# PSD Table

Country	Bulgaria						
Commodity	Oil, Soybean						(1000 MT)(PERCENT)
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official	Estimate [DA	Official	Estimate [DA	Official	Estimate [New]	
Market Year Begin	01/2002	01/2002	01/2002	01/2002	01/2002	01/2002	MM/YYYY
Crush	0	4	0	1	0	3	(1000 MT)
Extr. Rate, 999.9999	0	0.25	0	1	0	0.333333	(PERCENT)
Beginning Stocks	0	1	0	2	0	1	(1000 MT)
Production	0	1	0	1	0	1	(1000 MT)
MY Imports	0	17	0	11	0	11	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	0	19	0	14	0	13	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	7	0	6	0	5	(1000 MT)
Food Use Dom. Consum	0	9	0	6	0	6	(1000 MT)
Feed Waste Dom. Consu	0	1	0	1	0	1	(1000 MT)
TOTAL Dom. Consumptic	0	17	0	13	0	12	(1000 MT)
Ending Stocks	0	2	0	1	0	1	(1000 MT)
TOTAL DISTRIBUTION	0	19	0	14	0	13	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

# Import Trade Matrix

**Country** Bulgaria

**Commodity** Oil, Soybean

Time Period  Units:

Imports for:

U.S.  U.S.

Others Others

Greece	6,623		4,628
Yugoslavia	3,721		3,905
Netherlands	1,231	Romania	1,365
Germany	3,063		303
France	10		13
Argentina	669		5
Turkey	73		5
Spain	50		4
Bolivia	16	Hungary	1
Italy	27		1

Total for Others 15483 11,111

Others not Listed

Grand Total 16986 11,137

# PSD Table

Country	Bulgaria						
Commodity	Oil, Sunflowerseed						(1000 MT)(PERCENT)
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official	Estimate [DA Official	Estimate [DA Official	Estimate [DA Official	Estimate [DA Official	Estimate [New]	
Market Year Begin	10/2002	10/2003	10/2004	MM/YYYY			
Crush	305	305	365	376	0	380	(1000 MT)
Extr. Rate, 999.9999	0.406557	0.367213	0.339726	0.37234	0	0.371053	(PERCENT)
Beginning Stocks	12	12	12	2	11	1	(1000 MT)
Production	124	112	124	140	0	141	(1000 MT)
MY Imports	18	13	18	2	0	3	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	154	137	154	144	11	145	(1000 MT)
MY Exports	19	24	18	20	0	20	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	22	20	22	22	0	22	(1000 MT)
Food Use Dom. Consum	100	90	102	100	0	101	(1000 MT)
Feed Waste Dom. Consu	1	1	1	1	0	1	(1000 MT)
TOTAL Dom. Consumptic	123	111	125	123	0	124	(1000 MT)
Ending Stocks	12	2	11	1	0	1	(1000 MT)
TOTAL DISTRIBUTION	154	137	154	144	0	145	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

# Export Trade Matrix

**Country** Bulgaria

**Commodity** Oil, Sunflowerseed

Time Period MY02/03 Units: MY03/04\*

Exports for: 1

U.S. U.S.

Others Others

Yugoslavia	8,172		3,394
Algeria	6,115	Greece	546
Macedonia	6,260		6,526
Albania	2,506		1,968
Turkey	300		111
Armenia	260	Canada	7
Germany	22		
Georgia	223		98
Israel	16		

Total for Others 23874 12,650

Others not Listed 122 155

Grand Total 23996 12805

Note: Until March 2004

# Import Trade Matrix

**Country** Bulgaria

**Commodity** Oil, Sunflowerseed

Time Period MY02/03 Units: MY03/04\*

Imports for: 1

U.S. U.S.

Others Others

Ukraine	5,593		
Moldova	4,428		439
Greece	2,305		802
Turkey	554		312
Macedonia	101		80
Italy	28		
Argentina	10		
France	5		

Total for Others 13024 1,633

Others not Listed 68 50

Grand Total 13092 1683

Note: Until March 2004